

# Senate Bars Ex-Im Credits To Nations Supplying Hanoi

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The Senate overrode the Administration leadership last night by voting to bar extension of Export-Import Bank credit to any Government which furnishes goods or supplies to North Vietnam. The vote was 56 to 26.

Many Democratic moderates and Vietnam doves joined with bipartisan hawks to cast their votes for the amendment by Sen. Harry F. Byrd (D-Va.) Byrd only a few moments before had predicted defeat of his own proposal.

The Byrd showdown on trade with Hanoi followed a comfortable Administration victory in what was supposed to be the big East-West roll-call test of the day—an amendment by Sen. Everett M. Dirksen (R-Ill.) designed to bar Export-Import Bank loans for purchase of American products by Communist countries destined for Communist territory.

## Dirksen Move Loses

Dirksen's amendment was defeated 51 to 35. It was designed to prevent the Export-Import Bank's proposed loan of \$50 million to the Fiat Company of Italy for the purchase of machine tools required for the huge \$1-billion automotive plant Fiat will build in the Soviet Union.

It developed last night that the Byrd amendment itself might conceivably be broad enough to block the Fiat deal. Byrd said he believes that if the Italian Government is furnishing supplies to Vietnam, Export-Import Bank credit for the deal would have to be denied.

Sen. Edmund S. Muskie (D-Me.) agreed that the Byrd

amendment might put the Fiat financing in question. Muskie is floor manager of the legislation extending the life of the bank until June 30, 1973, and raising its lending power from \$9 billion to \$13.5 billion. Muskie had led a broad-gauge floor attack on the Byrd amendment, contending that "free world nations already have cut trade with Hanoi to \$12 million annually at U.S. urging. To seek to cut off the small remaining balance could involve 'risks . . . of great magnitude.'"

## Mostly Red Nations

Harold F. Linder, president of the Bank, said last night it would be "reasonable to assume" that the countries covered would be mostly in the

Communist bloc, including North Korea, Albania, Russia and some of the Eastern European Communist countries.

But, he added, the broad language of the amendment made it difficult to assess the impact.

Under his interpretation, the amendment refers only to Governments that trade with North Vietnam. The amendment, under his construction, presumably would not cover the \$50 million Export Import Bank loan to the private Fiat Company of Italy to provide machine tools for an auto plant in Russia.

The actual language of the Byrd amendment reads:

"The Bank shall not guarantee . . .

tee, insure or extend credit, of participate in an extension of credit in connection with the purchase of any product by any nation with which the United States is engaged in armed conflict (whether or not there has been a declaration of war), or any agency or national thereof; or (2) in connection with the purchase of any product by any nation (or, agency or national thereof) the government of which is furnishing goods or supplies to a nation described in clause (1)."

It was Byrd who wrote into last year's foreign-aid bill an amendment barring discretionary grants of aid to nations sending ships into Haiphong.

"What my amendment does is to ask the Senate to do the same thing this year in regard to Export-Import Bank funds," he told the Senate. "We have many more troops in Vietnam today than we did a year ago."

"I won't say what started the rush to get aboard, but I think it's obvious," said one cynical bystander. "To vote against it was like voting against mother."

Thirty-four Democrats and 22 Republicans lined up in support of the amendment. Only 9 Republicans and 26 Democrats voting "No."

Cheered on by Byrd's success, Sen. Karl Mundt (R-S.D.) indicated he will give the Dirksen anti-Fiat amendment another try today. Mundt will propose a \$50 million slash in the Bank's lending authority, as well as a flat ban on the Export-Import Bank for the Fiat deal.